

NMFA

Findings Status Matrix

The finding matrix attempts to identify the issues that each of the findings or areas of concern were focused. The items are scored 1-5, as follows:

1. Item has not been addressed
2. Item is in the initial risk assessment stage
3. Risks are identified and mitigation planned
4. Planned controls are operational
5. Monitoring and communication of component is ongoing.

As there are changes to the environment or insufficiencies with the corrective action plan as initiated, the monitoring process will identify the problem. In such cases, new action that will more effectively mitigate the risk will be sought.

Continuing Risk Assessment

The risk assessment for an internal control structure and environment is a dynamic process. It requires sufficient clarity in identifying risks, how risks should be managed, the potential for irregular activity and all significant changes to the business and environment. Attaining ongoing success of these assessments involves management, governance and staff at all levels.

EXTERNAL AUDIT/									
Noted by: PWC HEK RLD/SD REDW									
Focus Area	Current status open-----complete					Continued Challenges	Successes	Next Steps	
	1	2	3	4	5				
Timeliness				X		Late per NM State Audit Rule: due Dec 15 th .	2012 approved by state auditor.	Follow audit plan to submit 2013 audit to the state auditor, timely.	
Federal Requirements				X		Late per Federal Requirements due March 31 st .	2012 report submitted to federal clearinghouse May 2013.	2013 Audit to be submitted to state auditor for approval by due date allowing for timely submittal the clearinghouse.	
Bond Covenants				X		Audit report due per bond covenants, 272 days after fiscal year end	Fiscal year 2012 posted on website in May 2013.	2013 Audit to be submitted to state auditor prior to December 15, 2013, allowing for timely disclosure.	

Timeline for the 2013 Audit

- Attend State Auditor training – Done
- Approve external auditors for 2013 – Done
- Independent Public Accountant (IPA) recommendation to state auditor -Done
- Contract initiated after approval of IPA recommendation -- In progress
- Approved contract estimated by June 7, 2013
- Internal control test work – July 1-August 8, 2013
- Substantive work – September 2, 2013-September 30, 2013
- Financial statement review – October 1, 2013 – November 1, 2013
- Exit conference – November 4, 2013

- Submit to state auditor – November 8, 2013

STAFFING

Noted by: PWC HEK RLD/SD

Focus Area -	Current status open-----complete					Continued Challenges	Successes	Next Steps
	1	2	3	4	5			
Resource Management					X		Modified hierarchy structure: All staff now reports directly to the controller or CFO.	Monitor strengths and weaknesses of the structure.
Training					X	Continuing challenges as systems and guidance change.	Staff tested an overall 85.5% on questions selected from the GFAO test. Most missed questions were related to GASB 63, not in effect until 2013.	Internal Control training scheduled to coincide with the issuance of the New Framework scheduled for May 2013.
Assess key functions and flow of activity		X				Functions will change as the new loan servicing system is implemented.		Update job descriptions Centralize functions

List of courses planned

- State Auditor training - Done
- Ethics for Accountants – Done
- Government Accounting, Auditing and Financial Reporting – ongoing -to be completed by June 30, 2013
- Internal Control the “New Framework” – Not yet issued

LOAN SERVICING								
Noted by: PWC HEK RLD/SD REDW								
Focus Area	Current status open-----complete					Continued Challenges	Successes	Next Steps
	1	2	3	4	5			
System Implementation for Loan Origination (SILO) Implementation			X			Accounting process configuration	Loan origination	Develop input strategies.
Upload amortization schedules				X			Schedules uploaded successfully	Continue to test.
Loan Profiling					X		Loan profiling completed using user defined fields to ensure reporting flexibility.	Training, testing.
Loans – associated accounts		X				Configuration for maintaining separate accounts	Determine the treatment for debt service and reserve accounts	Continue to work with implementation team.
Compliance				X			Reports will indicate target dates for project completion, information requested and other items.	Test functionality.
Accounting System integration		X				Determine integration and interface options with current general ledger system.		
Vendor Interactions				X		Vendor input process not	Requisitions will be traceable by vendor	

Findings Matrix

						identified.	paid.	
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ACCOUNTING PRACTICES

Noted by: PWC HEK RLD/SD REDW

Focus Area	Current status open-----complete					Continued Challenges	Successes	Next Steps
	1	2	3	4	5			
Bank Reconciliations timeliness -cutoffs				X		Manual processes for tracking activity make reconciliations more complex.	All reconciliations up to date.	Continue to automate system to maximize efficiencies and ensure accuracy.
Invoice documentation/ Credit Card usage				X			Credit card use limited. Pre-approval required.	Continue to monitor.
Journal Entry support					X		Support required prior to posting and verified at month end.	
Lack of up-to-date Procedures		X				Procedures for certain transactions will change as system automation continues	Procedures for current process flow are in progress.	
Treatment for extraordinary items					X		Reversions and other activity treated correctly. Guidance materials have been purchased for reference.	
Fringe Benefits reporting					X		Fringe benefits all run	

Findings Matrix

to IRS							through the payroll process.	
STATE COMPLIANCE								
Noted by: REDW								
Focus Area	Current status open-----complete					Continued Shortcomings	Successes	Next Steps
	1	2	3	4	5			
Payment of funds without an approved audit contract				X			Procedures require approved contract prior to payment as indicated by legal counsel approval on invoice.	Formal policy in progress.
Timely Cash Receipts Deposit					X		Deposits made from desktop equipment.	Cross training for process.
Travel and Per Diem				X			Policy for travel in draft ready for review and approval.	
Equipment					X		State auditor requirements followed.	Inventory count will be taken at year end, as required.

Findings Matrix

INTERNAL AUDIT								
Noted by: PWC HEK RLD/SD REDW								
Focus Area	Current status open-----complete					Continued Shortcomings	Successes	Next Steps
	1	2	3	4	5			
Internal Audit position		X					Job posted, resumes received by audit committee.	Fill position. Prepare audit charter and internal audit plan.

Board Governance								
Noted by: PWC HEK RLD/SD REDW								
Focus Area	Current status open-----complete					Continued Shortcomings	Successes	Next Steps
	1	2	3	4	5			